

Written Testimony of Congressman Luis V. Gutierrez  
(Illinois, District 4)

Subcommittee on Aviation  
HEARING on

"The Proposed United-Continental Merger:  
Possible Effects for Consumers and Industry"

Wednesday, June 16, 2010

9:30 a.m. 2167 Rayburn House Office Building

Chairman Costello, Ranking Member Petri and distinguished colleagues of this Committee, thank you for inviting me to speak before the Committee on the proposed merger of United and Continental airlines.

While this merger has generally been greeted with enthusiasm, I believe we should not overlook the potential serious impact it could have on consumers and employees.

For consumers, the issue of airline fees-- which we all know cover just about everything except the air you breathe onboard--requires further scrutiny.

In 2009, United and Continental made \$523 million in baggage fees *alone*. Recently, United announced that its passenger-unit revenue was up almost 25 percent from a year ago and topped pre-recession levels. Given this good news for United, I believe it's a good time to review the fairness and necessity of these excessive fees.

I also want to ensure that loyal customers of frequent flyer programs have easy access to their awards without being misled. After receiving complaints from residents in my district, I began to look at the fine print on these highly-promoted programs-- which are a significant source of revenue for the airlines. Unfortunately, I found they lack reliability, honesty and fairness.

If you read the fine print, you will find as I did: airlines can deny a ticket, change the terms of the awards, charge a fee or even eliminate the program -- at will. Congress must stand up for consumers and protect their interests in frequent flier programs.

I am also deeply concerned with the impact this merger will have on United and Continental employees. To keep these airlines in business, workers have made serious concessions and their requests deserve consideration.